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UNCLASSIFIED NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SECRET/NODIS/HOMER

August 30, 1972

National Security Decision Memorandum 188

TO: The Secretary of State
The Secretary of the Treasury
The Chairman, NSC Under Secretaries Committee

SUBJECT: PRC Blocked Assets and Private Claims

The President has approved the Under Secretaries Committee recommendation contained in its memorandum of January 13, 1972 concerning the settlement of PRC blocked assets and private claims. Specifically, the President directs:

- That the United States should explore first, with the People's Republic of China, a lump sum settlement of the claims of American citizens for property nationalized by the PRC, to be paid either as a single payment in full or in annual installments over a period of years, in return for which the U.S. would unblock all PRC assets.
- That if the foregoing course proves non-negotiable, the U.S. should propose a settlement under which it would retain the blocked assets now under its control using them to compensate U.S. citizens for properties nationalized by the PRC.

The President has directed that the Secretary of State, in cooperation with the Secretary of the Treasury, should prepare a negotiating scenario based upon the foregoing decision which should be submitted for his approval by September 15, 1972.


Henry A. Kissinger

cc: The Secretary of Defense
The Director of Central Intelligence

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N. Meron (F88-1620)